

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

CI Group Investments, LLC, an Illinois Limited Liability Company)
)
)
Plaintiff,)
)
)
v.) Case No.
)
Ocean Atlantic Service Corporation, a Virginia Corporation,)
)
)
Defendant.)

COMPLAINT FOR BREACH OF GUARANTY

NOW COMES the Plaintiff, CI Group Investments, LLC, an Illinois state-chartered bank (“CI Group”), by and through Gregory J. Jordan, Peter J. Schmidt and the law firm of Polsinelli Shalton Flanigan Suelthaus PC, its attorneys, hereby files its Complaint (the “Complaint”) for breach of contract and for its claims against the defendant, Ocean Atlantic Service Corporation (the “Defendant”), and in support thereof states as follows:

PARTIES

1. CI Group is an Illinois limited liability company, which is registered to do business in Illinois and maintaining place of business in Cook County, Illinois.
2. The Defendant is a Virginia corporation, which maintains an office in Naperville, Illinois.

JURISDICTION AND VENUE

3. This case is between citizens of different States and involves a matter in controversy in excess of \$75,000, exclusive of interest and costs.
4. Jurisdiction is proper in this Court pursuant to 28 U.S.C. §1332.

5. Venue is proper in this Court pursuant to 28 U.S.C. §1391.
6. Venue and jurisdiction are also proper in the United States District Court for the Northern District of Illinois because the Unconditional Guarantee of Payment dated May 14, 2005 (the “Guarantee”) between the parties provides that “The parties hereto agree that all actions or proceedings arising in connection with this Guarantee shall be tried and litigated exclusively in the State and Federal courts located in Cook County, State, of Illinois.”
7. Ocean Atlantic California, LLC (the “Borrower”) applied to CI Group for a loan in the aggregate amount of One Million One Hundred Seventy Thousand Dollars (\$1,170,000) (the “Loan”) to be made pursuant to a Secured Promissory Note (the “Note”).
8. As a condition precedent to making the Loan evidenced by the Note, CI Group required that the Defendant guarantee the payment of the Loan made by CI Group to the Borrower, together with interest thereon, and the payment and performance of all present and future indebtedness and obligations of the Borrower to CI Group under the Note and a Collateral Assignment of Promissory Note and Deed of Trust made by the Borrower, as assignor, in favor of CI Group, as assignee (the “Collateral Assignment”). The Note and the Collateral Assignment are hereinafter referred to collectively as the “Loan Documents”.
9. The Defendant unconditionally guaranteed to CI Group the complete and punctual payment when due of the principal amount of the Loan, together with interest accrued and to accrue hereafter thereon and all other amounts owing by the Borrower to CI Group, and the performance by the Borrower of all of its other obligations to CI Group, howsoever or whensover arising, and whether or not in connection with the Loan or the

Loan Documents (such amount being hereinafter collectively referred to as the "Guaranteed Indebtedness").

10. On or about May 17, 2005 the Defendant executed the Guarantee. A copy of the Guarantee is attached as Exhibit "A", and the Guarantee and all of its terms are incorporated herein and made a part of the Complaint by express reference.
11. In consideration of the Defendant's execution of the Guarantee, on or about May 17, 2005, the Borrower executed and delivered to CI Group the Loan Documents and CI Group agreed to lend to Borrower the Loan.
12. In reliance upon the Guarantee and in consideration therefore, as a part of its obligations under the Loan Documents, CI Group advanced One Million One Hundred Seventy Thousand Dollars (\$1,170,000) for the Borrower's benefit.
13. After all adjustments for payments made prior to the date hereof, the Borrower has after demand failed to pay the amounts advanced to the Borrower under the Loan Documents.
14. CI Group has made demand upon the Defendant to pay the indebtedness referenced above pursuant to the Guarantee, but the Defendant has failed and refused to do so.
15. CI Group, after all appropriate credits for payments received to date have been made, is owed as of November 5, 2007 the amount of One Million Nine Hundred Ninety-Nine Thousand Seven Hundred Forty-Four Dollars and Seventy-One Cents (\$1,999,744.71), plus accruing interest on said balance.
16. CI Group has performed all conditions precedent under its contractual agreement under the Guarantee with the Defendant.
17. The Defendant has breached his obligation under the Guarantee by refusing and continuing to refuse to perform its obligations thereunder.

18. CI Group, as a direct and approximate result of the breach of the Guarantee by the Defendant, has been damaged in the sum of One Million Nine Hundred Ninety-Nine Thousand Seven Hundred Forty-Four Dollars and Seventy-One Cents (\$1,999,744.71), plus accruing interest pursuant to the terms of the Loan Documents, together with all court costs, and collection expenses incurred.

WHEREFORE, the plaintiff, CI Group Investments, LLC, prays that the Court enter judgment in its favor and against the defendant, Ocean Atlantic Service Corporation, in the amount of One Million Nine Hundred Ninety-Nine Thousand Seven Hundred Forty-Four Dollars and Seventy-One Cents (\$1,999,744.71), plus accruing interest and cost of collection in an amount to be determined by the Court, together with all costs incurred by the plaintiff, CI Group Investments, LLC, in the prosecution of this suit, and for such other relief as this Court deems just and proper.

Respectfully submitted,

CI GROUP INVESTMENTS, LLC

By: _____
One of Its Attorneys

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